

sección especial en idioma inglés

the structure of an organization

big or small, keep the objective in mind

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IN THE ENTIRE REALM of management thought, there exists, perhaps, no more confusion anywhere than in the area of organizational structure. And well it may, for perhaps the most important concept in all administration is that of structure. Management scholars are fond of applying such terms as "framework" to denote the structure of the organization, without ever saying precisely what is meant by the word. "System" is another word often loosely applied. Still other

terms used are "network of relations," "pattern," and "system of arrangements." There is today no definite and clear-cut definition of organizational structure which is acceptable to everyone.

And yet almost all persons are involved in not one, but many, organizations for much of their lives. An organization is simply a group acting together in a concerted and coordinated effort to perform certain activities and attain



certain objectives not normally obtainable on an individual basis. We have families, we go to a school, we join a church, we belong to clubs or fraternal groups, we are members of a political party and charity groups, and we may work for a business concern or some other organization to earn a living. Even so, it appears that our knowledge and understanding of what structure of the organization is really like is often somewhat meager. This concept recognizes the existence of a group of people and the idea of goals; it also implies that the members of the group stand in some relationship to one another.

The structure of the organization, however, involves more than just the individuals making it up. It includes the functions or activities performed in order that the goals may be reached and the physical factors utilized by the persons in carrying out their functions. Thus, a workable definition of organizational structure may be considered as the functions, plus all human faculties, plus all physical-environmental factors. The importance of the concept lies in the fact that essentially all problems of the organization will be found in one or more of these three components; and, in the same manner, essentially all decisions and solutions to problems will be determined by analyzing them.

Today much stress is placed on the second factor of organizational structure—that of human faculties. Surely it is true that a manager does manage people. However, one must avoid the impression that, with the best personnel available, any type of structure will be successful. A poorly developed organization will result in numerous problems which may have to do with future planning for growth and manpower needs, inability to instate and adapt to necessary changes, personnel development and advancement, improper functionalism, and many others.

Types of Structure

There are so many different kinds of organizations with so many different objectives and with such varied sizes that any attempt to cate-

gorize them into logical, clearly definable groups usually results in frustration and failure. Thus such attempts usually involve the selection of one particular feature or characteristic and the organizations are grouped according to that feature. It may, for example, be desirable to speak of organizations in terms of size. But, even in this case, helpful comparisons cannot be made between such organizations as a hospital (measured in terms of number of beds) and a business firm (measured in terms of employees, capital investment, or geographic coverage). The accountant may find his purposes best served by dividing organizations according to ownership—sole proprietorships, partnerships, corporations, and so on.

Organizations are also often classified according to their most important activities. In this instance, one speaks of religious organizations, educational institutions, business firms, political parties, or charity groups. Again, we hear of government organizations and private concerns; of profit and nonprofit organizations; of service organizations and those that produce goods; of informal and formal groups. The maze almost defies clarification.

However, the manager-writer may be more fond of discussing types of organizational structure according to design. Here, again, there is no uniform agreement. The number of designs into which organizations are divided range from two to five or six. Nevertheless, it appears that there are only about three basic designs; other types are simply variations of these.

Line Organization

The line organization is a simple and typical type that goes back to the very beginning of time. It is still the most common form found in the small business firm. Its structure is characterized direct vertical relationships connecting the links between levels of management and between management and nonmanagement personnel. Since staff personnel are nonexistent, each person reports directly to his "boss" and receives



all direction from him. However, the most important feature of the line organization is that the work within each function centers solely about that particular function. That is, work within the area represents an end in itself; its purpose is not to aid the work of another department. Thus, the purpose of the production function is simply to create the products or service; that of sales, to distribute the products or service. In contrast, the purpose of a staff function, such as personnel management or research, is to aid the line, or primary, functions. Each line function can be considered a separate entity standing alone.

Such an organizational structure is comparatively simple and is usually much more stable than the line and staff type. The divisions of authority and responsibility are more definite. This prevents the practice of "passing the buck" to other managers, a practice common in other organizational structures and one which often causes blame to fall on the staff manager when things go wrong. Furthermore, discipline is easier to handle.

On the other hand, the line organization may suffer because the functional managers are inclined to act independently, giving little consideration to other functions. The autocratic manager may operate on a more dictatorial basis than he would if he had staff personnel to consider. Such a manager may thus be more reluctant to accept changes, since they would interfere with his domain. *It should also be noted that line supervisors are often expected to be "jacks of all trades."* They find themselves devoting much time to details other than those directly involving the work of their departments. They may, for example, be expected to place and train new employees, handle problems having to do with pay and working hours, put on safety programs, and take care of the grievances that arise. In addition, this type of organization is usually somewhat inflexible; and if it loses one or two key men, it may suffer greatly.

Line & Staff Organization

As the line organization continues to grow

the managers' problems tend to multiply, until finally reorganization must take place. This process usually results in the formation of a line and staff structure. Historically, this type of structure goes back to ancient military organizations, where it was necessary to have units for furnishing materials, equipment, food, trained personnel, information, and planned strategy to those units operating on the battlefields. The line functions are designed to encompass the primary tasks necessary to attain the organization's goals; the staff functions are designed to aid and facilitate the line. The staff functions involve investigation and interpretation; communication with, and recommendations to, the line managers; and aid in the coordination of all the work. Thus, in a reorganization, such staff functions as personnel management, engineering, research, public relations, and procurement may be added.

The advantages of the line and staff organization are pretty obvious. Properly designed, this type of organizational structure allows for planned specialization. The staff man should be a specialist in his area. He may then use this expert knowledge in helping to solve operating problems. The line manager is thus relieved from having to know and perform the various functions considered to be a staff nature. The greater flexibility of the line and staff structure also allows for more opportunity for advancement of personnel. Finally, specific assignment of functions is facilitated, permitting definite establishment of accountability.

Even so, a great many problems may arise due to a lack of precise delegation of specific duties. The staff may not be given the authority to carry out his functions, or he may assume authority which he does not possess. Staff specialists have often been accused of taking too much authority and attempting to force their ideas on the line managers. On the other hand, the line manager may resent the staff man's advice and help. If the exact duties are not carefully and clearly assigned to both line and staff managers, there is likely to be much misunderstanding and confusion because of failure to see each other's posi-



tion in proper perspective. The line and staff must be viewed in context of functions if peace is to be maintained.

The Functional Structure

The great American management pioneer, Frederick W. Taylor, originated the functional structure. It was a somewhat unwieldy pattern in that the worker in a product-producing firm was to have eight bosses. Each boss was to be a specialist in a specific area and hold responsibility for that area only. Half of these bosses were shop foremen and were called gang boss, speed boss, repair boss, and inspector. The other four had control over the worker's records and the problem of discipline. Taylor reasoned that each boss would become highly skilled, since his area of operation was so specific. However, the division of labor appears to have been carried too far in this case.

A primary reason for the reluctance of companies to adopt the functional-foreman structure is that it violates one of the cardinal principles of management—the unity of command. This principle simply states that no man should have more than one boss at any one time. Another major flaw is the tendency of the various foremen to “pass the buck” when things do not go well. Thus, if production quotas are not met, the speed boss may blame the inspector for maintaining quality standards which are too rigid; or the inspector may blame the repair boss for not keeping equipment in good order. Nevertheless, there are many instances where modified versions of this plan are in use in special functions such as planning departments.

Committee Organization

In addition to the three types of organizational structures just described, there is the committee organization—often considered to be a fourth form. Actually, the committee plan is not a separate and distinct type. Many organizations

simply have various permanent committees which act as advisory groups and which may investigate certain operational problems assigned to them. Examples of such committees are policy, research, equipment, production, and sales. A board of directors is nothing more than a permanent committee. Such committees are merely in charge of, or supplementary to, line and staff functions.

The Need for Flexibility

Managers may often be experts in planning for specific functions, such as sales or production, while tending to ignore planning for the overall organization. Perhaps they forget that the sound organization must be flexible and dynamic. The frequently heard notion that the important work of modern managers is to deal with change pertains to the entire structure. It is through the work of administration that changes occur. Changes in organizational structure must be continuous if the firm is to adapt to challenging conditions, and timing is of the utmost importance.

The successful manager should be constantly on the lookout for factors which indicate that changes may be advisable in his organization. Changes in the economy and the rapidity with which such changes occur may be a key factor. The same applies to the firm's competition. Actions of labor organizations and changes in legislation may call for modifications in the structure of the firm.

Also, there are many internal factors within the organization which may call for changes. After all, the organization is simply people, and people respond to different stimuli in countless ways. Neither managers nor workers can be moved about from place to place like pieces on a chessboard. A manager may perform successfully with a span of control of 15 in one major function, but be unable to do a satisfactory job with 10 in another function. Authority for decision making of the same magnitude cannot be delegated to all managers on the same organizational level. Every man has his limitations as to knowl-



edge, experience, time, and attention. The length of time necessary to get a decision on a major problem and the lack of feedback in communications may point up areas where change is needed.

Conclusion

But no matter what type of organizational structure the manager is confronted with, no matter if the structure is large or small, and no matter if he is a manager of the entire organization

or just a function of it, he needs to keep the objective or purpose constantly in mind. If he feels that the objective is not being met or the purpose not fulfilled, he must attempt to alleviate the situation by careful analysis of the functions being performed. After that, he must examine and evaluate the human faculties necessary to carry out the functions properly. Finally, he must inspect and scrutinize the physical factors that are needed by his personnel. Among these three components lie his problems, and it is among them that he will find his solutions.



